

Chairman Les Mason and Members of the House Commerce, Labor and Economic Development Committee:

My name is Jeff Breault and my wife and I own R & J Discount Liquor in Wichita. I urge you to oppose House Bill 2282 and end yet another assault on Kansas owned businesses. There are many, many reasons that this legislation is bad for Kansas, but I would like you to focus on one of the biggest impacts that would result from allowing Dillons, Walmart, Costco and Quiktrip to change our liquor laws. This legislation is a job killer, not a job creator. UnCork's own study had to admit that over half of the 760 liquor stores would close soon after passage of their proposal. I find it VERY interesting that the last few years they have switched their campaign away from talking about jobs and now try to tell you that this is all about customer choice. No, this is all about large, national businesses trying to change the playing field to suit them at the expense of Kansas owned businesses. I'm sure that the Atlanta Falcons would have loved to change the rules last week to "give our customers more choice", but that's not the way the world works. Everyone knows the rules when they enter the playing field. I knew the rules 18 years ago when I bought my store. I didn't come up here and pound the table each year trying to get you to slant the rules my way. Let's uncover Uncork for a second. These large companies hide behind an innocent sounding group in the name of "taking care of consumers". Really? Walmart, Costco and Kroger are the world's three largest retailers with hundreds of billions in yearly sales. They ALL do business in most states of the Union, all with differing liquor laws. They ALL can take care of their customer's alleged desire for one stop shopping in Kansas by adding a liquor store under their roof and having a separate operator run it. Costco is doing just that in Wichita. Dillons used to have the same setup in one of their Wichita stores. By the way, not too many of these sessions ago, Uncork told this legislature that a prestigious

retailer like Costco wouldn't come to Kansas because of our liquor laws. Seems like business economics of going where the customer is outweigh a political threat. So if the Walmart/Costco/Kroger coalition can take care of their customers under current law, why do they REALLY want you to change it? What they won't tell you is under current law, we have a fair and level playing field for all the 760+ liquor stores in Kansas. What Uncorks's current and past proposals would do is allow them to use predatory pricing due to their large store layout and other product diversification. House Bill 2282 would allow the 48,000 square foot Dillons 350 feet away from my 3,600 square foot store sell 75% of my product base. Beer and wine are 75% of my stores sales. My store was built to conform to Kansas liquor laws and is right sized for that type of business. If this bill were to pass, the first thing Dillons would do is sell those products at cost, using them as loss leaders. This maneuver would cause them no harm since they wouldn't have to hire any new staff nor build any new extra square footage. It would of course either put me out of business or certainly cause irreparable harm to my employee base. Their own paid for studies confirm that.

Kansas laws do not restrict competition. Anyone who meets the ABC requirements can open a store under current law. The Dillons/Walmart/Costco coalition try's to tell you that my store is protected from competition. There are over **20** other liquor stores within a 3 mile radius of my store. We all compete for the same customers. Does Kansas need to change laws that have worked for decades just so the world's largest companies can run Kansas owned businesses out of business? Certainly not good for anyone in Kansas. I am not asking you to protect my store from healthy competition. I am asking you not to destabilize this market by imposing the illogical scheme represented by HB 2882.

Please see the attached picture of some of my stores loyal staff. Every Sunday for the past 18 years I have written these 18 people a paycheck. They are REAL people, with REAL lives. They have spouses, children and others who depend on them. Several of them are working their way through college. Most of them have been with my store not weeks or months, but YEARS. ALL of them make significantly more than the minimum wage. The full time employees have access to company subsidized health insurance.

If this legislation were to pass, I submit that the Dillons store across the street will not need to hire even one more employee, yet all of these Kansas taxpayers will be out of a job in a short time. They and I all shop, bank, buy insurance, pay tuition, pay our CPA's, donate to charities, and so many other things right here in Kansas. Our earnings stay local. Statewide, this would be devastating for thousands of Kansas liquor store jobs.

I urge you to protect, not attack Kansas owned businesses and vote against this bill.

Jeff & Michelle Breault
R&J Discount Liquor
3015 E Douglas
Wichita, KS 67211
316 681-3761

